



THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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MEMORANDUM

TO: Depository Candidates and Treasurers  
FROM: Michael J. Sullivan, Director *mjs*  
SUBJECT: Treatment of Reimbursements and Loans

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The campaign finance law, M.G.L. c. 55, provides that depository candidates and political committees<sup>1</sup> must use specially formatted checks made payable to the vendor actually supplying goods or services to the depository candidate or committee for any expenditure in excess of \$50. In general, therefore, individuals may not be reimbursed for purchases in excess of \$50.

(1) Reimbursement to Individuals, Generally. Section 19(c) of M.G.L. c. 55 states, in pertinent part:

All payments for campaign purposes made by or for the benefit of a candidate or by the treasurer of a committee required to designate a depository . . . which are in excess of fifty dollars shall be made only from funds on deposit in said depository through checks drawn on such depository and indicating that such checks are drawn on the campaign account of the candidate or the political committee involved.  
(Emphasis added)

Payments made under this provision may be made to reimburse an individual for that person's expenses incurred on behalf of a candidate or political committee if the reimbursement is for \$50 or less. Section 19(a), however, requires that depository checks must be used for any single payment in excess of \$50 and such checks must be made payable directly to the vendor supplying the goods or

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<sup>1</sup> Depository candidates and political committees include: statewide candidates, governor's council and county candidates and candidates for mayor or other citywide office, other than school committee, in cities with a population greater than 100,000; currently, Boston, Lowell, Springfield and Worcester, candidate committees organized on behalf of such candidates and the state party committees elected pursuant to chapter 52.

services to the committee. Similarly, this section prohibits reimbursement to individuals for expenditures made on behalf of a depository candidate or committee for any single expenditure in excess of \$50.

An individual may be reimbursed, however, for several expenditures totaling more than \$50 if the expenditure to each vendor is for \$50 or less. For example, a campaign worker may be reimbursed \$87 for the costs of postage (\$32) purchased from the post office and the cost of envelopes (\$45) purchased separately from a stationery store.

(2) **Reimbursements to Candidates and Treasurers.**

Section 19(c) also limits the aggregate amount per reporting-period as well as per check which may be paid to a depository candidate or treasurer. Specifically, a depository committee may not make payments to a candidate or treasurer for more than \$500 in the aggregate during the reporting periods established by section 19. In addition, no single depository check may be made payable to the candidate or treasurer if the check is for more than \$50. An exception to this rule is for payments made to a candidate in connection with a loan by the candidate made to the candidate's committee.

(3) **Loans by Candidates to Depository Committees.**

Although a candidate may make expenditures or contribute to the committee organized on the candidate's behalf without limitation, contributions made in the form of a loan by statewide depository candidates are limited, per primary election and per general election as follows: Governor and Lieutenant Governor - \$200,000, all other statewide candidates - \$150,000. M.G.L. c. 55, s. 7. Loans by all other depository candidates to their depository committees may be made without limitation.

A depository committee which is making a full or partial repayment of a loan to a candidate is not subject to either the \$50 or \$500 reimbursement limitations discussed above.

(4) **Records.** The campaign finance law requires candidates and treasurers to keep detailed accounts of all contributions and expenditures. M.G.L. c. 55, ss. 2 and 5. Such records help ensure that campaign finance reports are complete and accurate. Therefore, candidates and treasurers of political committees must carefully document, with appropriate accounts and records, any reimbursement to candidates, treasurers or other individuals for expenses incurred on behalf of a candidate or political committee.

Please feel free to contact this office regarding this memorandum or if you have questions regarding any other campaign finance matter.